

REMARKS**Status of the Claims**

Claims 1, 4-8, 11-14, and 17-20 are currently presented in the Application, and claims 1, 8, and 14 are independent claims. Claims 1, 4-6, 8, 11, 12, 14, and 17-20 have been amended, and claims 2, 3, 9, 10, 15, and 16 have been canceled.

Independent claim 14 has been amended to clarify that Applicants claim a computer program product stored on a computer operable media, the computer operable media containing instructions for execution by a computer, which, when executed by the computer, cause the computer to perform the claimed method. Support for this amendment is found, for example, in Applicants' specification on page 97, line 20 through page 98, line 9. No new matter has been added as a result of this amendment.

Examiner Interview

Applicants wish to thank the Examiner for the courtesy extended to Applicants' attorney during a telephone interview on May 15, 2007. During the interview, claim 1 was discussed with regard to the Haltiwanger and Rama references (see below for further details). Applicants' attorney suggested amending claim 1 to include limitations previously found in dependent claims 2 and 3. Applicants' attorney explained that Applicants teach and claim that modifying the severance pay formula, re-determining the severance amount for each employee, and recalculating the total severance amount are done in response to the comparison between the total severance amount and the budgeted severance amount. In the cited references, particularly Rama, various "rounds" of downsizing are discussed. These downsizing rounds, also called phases, may be several years apart from each other. Rama also discusses classifying employees into several groups, and treating each group differently for severance purposes. However, as discussed in detail below, this is not the same as comparing a total severance amount to a budgeted severance amount and then, in response to the comparison, modifying the severance pay formula, re-determining the severance amount for each employee, and then recalculating the total severance amount, as

taught and claimed by Applicants. The Examiner indicated that he would perform a new search. No agreement was reached regarding the claims during the interview.

Requirement for Information Under 37 C.F.R. § 1.105

Applicants have been asked to provide any know publication, brochures, manuals, or other form of written information known to Applicants and/or the Assignee of this Application, specifically pertaining to a July 9, 2001 press release titled "IT Confidential." After review, Applicants respectfully submit that such information is unknown to Applicants, and therefore Applicants have no information to provide to the Examiner.

Drawings

Applicants note with appreciation the Examiner's acceptance of Applicants' formal drawings, filed with the Application on January 8, 2002.

Objections to the Specification

In the Office Action Summary, the box is checked indicating that the specification is objected to by the Examiner. However, it does not appear that any specific objections are noted in the Office Action itself. Applicants have checked the specification, and are not aware of any typographical errors. Therefore, Applicants respectfully request that the Examiner withdraw the objection to the specification.

Claim Rejections Under 35 U.S.C. § 112

Claims 5 and 18 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Applicants have corrected an inadvertent, typographical error in claims 5 and 18, and therefore respectfully submit that the rejections under 35 U.S.C. § 112 have been overcome. Applicants respectfully request that the Examiner remove the rejections under 35 U.S.C. § 112, second paragraph.

Claim Rejections - Alleged Anticipation Under 35 U.S.C. § 102

Claims 1 and 2 stand rejected under 35 U.S.C. § 102(b) as being anticipated by "Cross-Country Evidence on Public Sector Retrenchment," 1999, to Haltiwanger et al.

(hereinafter Haltiwanger). Applicants respectfully traverse the rejections under 35 U.S.C. § 102.

Independent claim 1 has been amended to include limitations previously found in dependent claims 2 and 3, and claims 2 and 3 have been canceled. Therefore, Applicants respectfully submit that the rejections under 35 U.S.C. § 102 are now moot, and respectfully request that the Examiner remove the rejections under 35 U.S.C. § 102.

Claim Rejections – Alleged Obviousness Under 35 U.S.C. § 103

Claims 5 and 7 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Haltiwanger. Claims 3, 4, and 6 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Haltiwanger in view of “Efficient Public Sector Downsizing,” 1997, to Rama (hereinafter Rama). Claims 8-20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Haltiwanger in view of Rama and further in view of Tamatsu et al., U.S. Patent Publication No. 2004/0162771 (hereinafter Tamatsu). Applicants respectfully traverse the rejections under 35 U.S.C. § 103.

As noted above, independent claim 1 has been amended to include limitations previously found in dependent claims 2 and 3, and claims 2 and 3 have been canceled. Similarly, independent claims 8 and 14 have been amended to include limitations previously found in dependent claims 9 and 10, and 15 and 16, respectively, and therefore, claims 9, 10, 15, and 16 have been canceled.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). (Manual of Patent Examining Procedure § 2143.03). Applicants respectfully submit that none of the cited references, either alone or in combination, teach or suggest all the elements of Applicants’ independent claims, as amended.

Applicants teach and claim a method, information handling system, and computer program product for analyzing the financial impact of a resource reduction

action. Using claim 1 as an exemplary claim, Applicants' independent claims, as amended, include the following elements:

- identifying a plurality of surplus employee data records, each surplus employee data record corresponding to an employee;
- retrieving a compensation amount corresponding to each identified surplus employee data record;
- calculating a total savings amount by summing the retrieved compensation amounts;
- identifying a severance pay formula corresponding to each surplus employee data record;
- determining a severance amount for each employee by applying the identified severance pay formula to the corresponding surplus employee data record;
- calculating a total severance amount by summing each of the severance amounts;
- comparing the total severance amount to a budgeted severance amount;
- modifying the severance pay formula in response to the comparison;
- re-determining the severance amount for each employee by applying the modified severance pay formula to the corresponding surplus employee data record;
- recalculating the total severance amount by summing each of the re-determined severance amounts.

Haltiwanger is an article on public sector retrenchment that “analyzes the relationships between the factors leading to retrenchment, the scope and nature of retrenchment, and the methods used to accomplish the retrenchment” (see Haltiwanger, Abstract). The Office Action states that Haltiwanger does not disclose “modifying the severance pay formula in response to the comparison,” i.e. the comparison of the total severance amount to a budgeted severance amount (see Office Action, page 5, lines 8-

9 and page 5, line 22 through page 6, line 1). However, the Office Action then cites Rama as disclosing this aspect of Applicants' claims. Applicants respectfully submit that Rama does not teach or suggest "modifying the severance pay formula in response to the comparison," i.e. the comparison of the total severance amount to a budgeted severance amount. Applicants further respectfully submit that Rama does not teach or suggest "re-determining the severance amount for each employee by applying the modified severance pay formula to the corresponding surplus employee data record," and then "recalculating the total severance amount by summing each of the re-determined severance amounts," as taught and claimed by Applicants.

Rama discusses a problem that sometimes occurs when carrying out a voluntary resource reduction. The employer may find that many of the employees who choose to leave are not employees that the employer wants to lose. Conversely, many of the employees who do not choose to leave are employees that the employer would prefer take the voluntary severance payout. Rama discusses this problem and some possible solutions to it. As discussed with regard to Ecuador's central bank (see Rama, page 42), Rama notes that the bank conducted two rounds, or phases, of resource reductions. However, it is important to note that these two rounds took place in 1992 and 1994, two years apart from each other. Different employees left the bank during each round of resource reductions. Two completely separate resource reductions, affecting completely different sets of employees, and separated in time by two years, does not teach or suggest Applicants' claims. Applicants claim determining a severance amount for each employee, calculating a total severance amount, and then comparing the total severance amount to a budgeted severance amount. The severance pay formula is then modified in response to the comparison and the severance amount is ***re-determined for each employee***. This is in direct contrast to Rama's rounds of resource reductions, where each round dealt with completely different sets of employees, and where the two rounds occurred in 1992 and 1994. Rama does not disclose "***re-determining the severance amount for each employee*** by applying the modified severance pay formula," because the two different rounds of resource reductions discussed by Rama were applied to different employees. Thus, no "re-

determining” could take place for “each employee,” because the employees who left in the 1992 reduction were no longer working for the bank when the 1994 resource reduction took place.

The bank’s second round of resource reductions included classifying employees into three categories. Group A employees were not allowed to take the severance package, Group B employees were given a choice regarding whether or not to take the severance package, and Group C employees were strongly encouraged to take the severance package. In this case, each group of employees was treated differently. However, there is no teaching or suggestion of comparing a total severance amount to a budgeted severance amount and then modifying a severance pay formula in response to this comparison. It appears that the once the severance amounts were set by the bank, they did not change. Although the different groups were treated differently, it does not appear that any employee, much less each employee, had his or her severance amount re-determined “by applying the modified severance pay formula” to the employee’s data record.

Based on the above discussion, Applicants respectfully submit that Rama does not teach or suggest “comparing the total severance amount to a budgeted severance amount,” “**modifying the severance pay formula** in response to the comparison,” “**re-determining the severance amount for each employee** by applying the modified severance pay formula to the corresponding surplus employee data record,” and then “recalculating the total severance amount by summing each of the re-determined severance amounts,” as taught and claimed by Applicants in independent claims 1, 8, and 14. While Tamatsu purports to teach “evaluating individuals and groups within an organization,” (see Tamatsu, Abstract), Applicants respectfully submit that Tamatsu does not overcome the deficiencies of Haltiwanger and Rama. Further, the Office Action does not cite any portions of Tamatsu as disclosing Applicants’ claimed elements of “comparing,” “modifying,” “re-determining,” and “recalculating.”

For the reasons set forth above, Applicants respectfully submit that independent claims 1, 8, and 14, and the claims which depend from them, are patentable over Haltiwanger, Rama, and Tamatsu, and respectfully request that they be allowed.

Conclusion

As a result of the foregoing, it is asserted by Applicants that the remaining claims in the Application are in condition for allowance, and Applicants respectfully request an early allowance of such claims.

Applicants respectfully request that the Examiner contact the Applicants' attorney listed below if the Examiner believes that such a discussion would be helpful in resolving any remaining questions or issues related to this Application.

Respectfully submitted,

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